

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re: Jake Burnett Excavating Co., Inc.

Case No. 09-14431

Chapter 11

Debtor.

PLAN OF REORGANIZATION

The Class of Creditors holding Personal Guarantees and insider claims herein, propose the following Plan of Reorganization (the "Plan") pursuant to Chapter 11 of Title 11, United States Code (hereinafter, the "Bankruptcy Code" or the "Code"). Except where otherwise indicated herein, the terms used in this Plan of Reorganization are used as defined in the Bankruptcy Code.

ARTICLE I

DEFINITIONS

For the purpose of this Plan, the following terms shall have the respective meanings hereinafter set forth:

Allowed Claim shall mean a claim (a) in respect of which a Proof of Claim has been filed with the Court within the applicable period of limitation fixed by Bankruptcy Rule 3003(C), or (b) scheduled in the list of creditors prepared and filed with the Court pursuant to Bankruptcy Rule 1007(b) and not listed as disputed, contingent, or unliquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Bankruptcy Rule 3007 or an Order of the Court, or as to which any such objection has been determined by an Order or Judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending. The Allowed Claim shall not include unmatured or post petition interests unless otherwise stated in the Plan.

Allowed Equity Interest shall mean the interest of shareholders of Jake Burnett Excavating Co., Inc.

Allowed Secured Claim shall mean an Allowed Claim secured by a lien, security interest, other charge against or interest in property in which the Debtor has an interest. An Allowed Claim which is subject to set off under § 553 of the Bankruptcy Code shall also be an Allowed Secured Claim.

The amount of an Allowed Secured Claim is equal to the value (determined in accordance with § 506(a) of the Bankruptcy Code) of an Allowed Secured Claimant's interest in the Debtor's interest in such property or is equal to the value of the Debtor's interest in property that is subject to such set off as the case may be on the Confirmation Date.

Confirmation Date shall mean the date ten days after the Order of Confirmation of the Plan is entered by the Court.

Court shall mean the United States Bankruptcy Court for the Northern District of New York in which the Debtor's Chapter 11 case, pursuant to which this Plan is proposed, are pending and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.

Debtor shall mean Jake Burnett Excavating Co., Inc.

Effective Date shall mean the date Thirty (30) days after the confirmation of this plan by the Bankruptcy Court.

Order of Confirmation shall mean the order entered by the Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code.

Petition Date shall mean the date(s) on which the Debtor filed its voluntary petition for relief under Chapter 11 of the Code.

Plan shall mean this Chapter 11 Plan of Reorganization, as amended or modified in accordance with the Code.

ARTICLE II

Treatment of Creditors by Class of Creditor

Class 1(a) will be administrative creditor holding non insider claims.

Class 1(b1) Priority Claims held by NYS Department of Taxation and finance in the amount of \$33712.05 will be paid a monthly amount of \$561.87

Class 1(b2) Priority Claims held by the US Treasury in the amount of \$287,982 will be paid monthly \$632.54 plus a one time payment from litigation proceeds of \$250,000 on or before August 30, 2013.

This class is not impaired by this plan.

Class 2. Secured Claims

Class 2A

Stearns Bank Equipment Financing Division holds a claim against Equipment in the amount of \$14,665.47 and will be paid in full at 6% interest more than 60 months in regular monthly payments. Or \$283.33

Class 2B

GMAT holds a secured interest in a Dump Truck and will be paid the balance due of \$13430.21 at 6% interest more than 60 months in regular monthly payments. Or \$259.64

Class 2C

M&T bank holds a secured interest in a 2005 F250 pickup truck and will be paid the fair value of \$9,750 for the vehicle at 6% interest over 60 months in regular monthly payments. Or \$188.49 the balance of the claim paid in class 3

Classes 2 A, B, and C are impaired.

CLASS 3

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. They consist of approximately \$ 107,000 in undisputed claims and will be paid after secured claims to the amount of 50% of there claimed value.

This

Class 3

Class of General Unsecured Disputed Claims

This class has approximately \$450,000 in disputed claims and will be paid 50% of any amount allowed by the Court after a hearing or other proceeding which determines the claim.

This Class is impaired

Class 4

4. Class of General Unsecured Disputed Claims (Class 4)

This class has approximately \$450,000 in disputed claims and will be paid 50% of any amount allowed by the Court after a hearing or other proceeding which determines the claim.

This Class is impaired

Equity Interest

Class 5

Classes of Equity Interest Holders (Class 5) will retain their current equity interest. This class is entirely made Burnett Family members

ARTICLE III

PROCEDURE REGARDING CONTESTED CLAIMS

Within thirty days after the Confirmation Date or the expiration of the claims bar date as fixed by the Court whichever is later, the proponents of this plan shall serve upon claim holders and file with the Court the Debtor's objections, if any, to claims. With respect to each such contested claim the amount and status of which has not yet been finally determined by the Court, Proponents shall make payments in accordance with this Plan and the contested claim to an escrow bank account established for such contested claims.

Dated: June 22, 2010

Albany, N.Y.

/s/ Cynthia LeFevre

Cynthia LeFevre